



Volume 31
Issue 2 *June*

Article 19

June 2004

The Welfare Marketplace: Privatization and Welfare Reform. M.
Byrna Sanger.

Follow this and additional works at: <https://scholarworks.wmich.edu/jssw>



Part of the Social Work Commons

Recommended Citation

(2004) "*The Welfare Marketplace: Privatization and Welfare Reform.* M. Byrna Sanger.," *The Journal of Sociology & Social Welfare*: Vol. 31 : Iss. 2 , Article 19.

Available at: <https://scholarworks.wmich.edu/jssw/vol31/iss2/19>

This Book Note is brought to you by the Western Michigan University School of Social Work. For more information, please contact wmu-scholarworks@wmich.edu.



students of the Department. His respondents offered insights into their experiences and gave their professional opinions about many aspects of pluralism. In addition, Merelman provides a useful theoretical perspective to frame his account. Indeed, despite the important insights the book offers into the work of Yale's leading scholars of pluralism, Merelman's account is all the more significant for exploring the question of how those who exercise power are able to secure legitimation for their actions. Drawing on the writings of Marx and Engels, Gramsci, Mannheim and others who have addressed this question, Merelman shows that academics often provide the intellectual arguments on which legitimation is based. It is not that they merely serve as lackeys to the powerful but rather that their normative theories are viewed as congenial and are often adopted to legitimate political decisions. Pluralism, Merelman argues, offered a legitimating discourse which was highly suited to its time. It accompanied other legitimating discourses which were then in use. These included Keynesian economics, functionalist sociology and systems theory in administrative science.

Although Merelman's insights may not at first appear to have much relevance to social welfare, his analysis of the role pluralism played in offering a legitimating discourse for the wider political process has relevance to the way pluralism is today used to legitimate the retrenchment of state responsibility for social welfare. Those who oppose government involvement in social welfare frequently point to the way a multiplicity of welfare providers ranging from the churches and charities to commercial insurance firms and for-profit social agencies now contribute positively to a supposedly happy equilibrium which has emerged in the wake of state retrenchment. As in politics, pluralism in welfare has become a legitimating discourse which should be understood by scholars and students of social policy. This readable and insightful book will help promote this goal.

M. Byrna Sanger, *The Welfare Marketplace: Privatization and Welfare Reform*. Washington, DC: Brookings Institution Press, 2003. \$ 16.95 papercover.

In the decades following the New Deal, it was widely accepted that government would be the primary funder, administrator and provider of a range of social services designed to meet the social

needs of citizens. The institutionalization of this idea resulted in the equation of term 'social welfare' with the public social services. Although the contribution of non-profit organizations, religious charities and commercial providers to social welfare was recognized, their role was not given much prominence and in some quarters it was even believed that they would eventually wither away as government services expanded and encompassed even greater responsibility for people's well-being.

As Sanger argues, the dominance of the state in social welfare provision has been dramatically modified over the last twenty years. Although the state remains a primary funder of social services, a new and much more fluid pluralism has emerged in which non-profits and commercial providers compete in a new welfare market place to secure funds for social service programs. Contracting is not only widespread but it has changed the way public agencies operate. It has also a major impact on the non-profit sector changing what Sanger describes as the very soul of voluntarism. Of course, the engagement of for-profit firms in social service provision has also altered the way the welfare sector was previously viewed. While commercial providers such as private health and life insurance firms worked directly with consumers and, apart from tax subsidies, were limited in the advantages they secured from government, they now derive substantial funds and profits through their role as social service contractors. The involvement of large commercial firms such as Lockheed Martin in social service contracting suggests that the welfare market is a lucrative one for providers motivated primarily by profit.

Sanger's book is concerned with the way contracting out is affecting traditional public welfare programs, non-profits and commercial providers in the new welfare market place. The book is based on studies of contracting out in four urban areas namely, Houston, Milwaukee, New York and San Diego. Interviews were conducted with public officials and the managers of commercial and non-profit contractors in each area and public documents relating to social service contracting were scrutinized. The study focused on the TANF programs administered in each area. It sought to determine first, how significant contracting out has become; second, what do public agencies seek to achieve through contracting; third, how have non-profit and for-profit providers

responded and fourth, what are the risks and challenges involved. However, the study did not assess the performance of contractors with regard to client outcomes.

In seeking to answer these questions, Sanger provides a great deal of useful information about the growth of social service contracting and the way federal, state and local governments have promoted the growth of the welfare market. She demonstrates that contracting has grown enormously and that it has radically altered traditional modes of public and voluntary provision. Contracting has changed the character of government and non-profit agencies as well and created a complex and fluid situation which is not always conducive to effective service delivery. Despite some advantages, the widespread use of contracting has also had a negative effect on continuity, staffing and accountability. Although Sanger's study does not reach definitive conclusions about the impact of contracting out on the welfare of clients, its cautionary findings should be heeded by those who believe that social needs can best be met through competitive social service provision in the welfare market.

Terry Tirrito, *Aging in the New Millennium: A Global View*. Columbia, SC: University of South Carolina Press, 2003. \$ 18.95 papercover.

Global aging is all-encompassing and will affect every man, woman and child anywhere in the world. It will affect everything from individual life plans to international security. The steady increase in the number of older people will have a direct bearing on family relationships and solidarity, generational equity and lifestyles. It will generate important opportunities while at the same time it will create unprecedented challenges. Increases in old age in many countries can be attributed to advances in science, medicine, and technology that have led to reductions in infant and maternal mortality, infectious disease, and occupational hazards, as well as improvements in nutrition and education. Decreases in fertility combined with increases in aging may shrink the numbers of workers and consumers, creating unprecedented challenges to national and global economies. At the same time, with the advances in health and medicine, current populations will live longer and remain healthier than previous generations.